

RESOLUTION NO. 74901

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ APPROVING THE RELEASE OF A PORTION TO THE CONSTRUCTION FUNDING FOR REIMBURSEMENT OF DEVELOPMENT COSTS FOR THE NORTH FOURTH STREET FAMILY APARTMENTS

WHEREAS, on March 20, 2007, the City Council of the City Of San José (“City”) approved a funding commitment of up to \$9,875,000 to First Community Housing (“FCH”), or its designated affiliate, for the development of the 100-unit North Fourth Street Family Apartments (“Project”) located at 1470 North Fourth Street (“Property”); and

WHEREAS, FCH had obtained a 50% land acquisition loan from the Opportunity Fund with a current balance of \$1.5 million, a \$500,000 predevelopment loan from the Housing Trust Fund of Santa Clara County, and a \$500,000 predevelopment loan from the Sobrato Foundation; and

WHEREAS, FCH has requested an advance of \$4.0 million of the total funding commitment which would be used to repay the \$1.5 million Opportunity Fund land acquisition loan, repay the \$500,000 Housing Trust Fund predevelopment loan, repay the Sobrato Foundation \$500,000 predevelopment loan, and reimburse FCH in an amount up to \$1.5 million in already-incurred early development costs based on submission of invoices; and

WHEREAS, the City desires to approve the release of up to \$4,000,000 of the previously approved construction loan commitment of up to \$9,875,000 to First Community Housing, or its designated affiliate, for the development of the North Fourth Street Family Apartments to be built at 1470 North Fourth Street and made available to extremely low, very low, and low income families;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSÉ THAT:

The release of up to \$4,000,000 of the previously approved construction loan commitment of up to \$9,875,000 to First Community Housing, or its designated affiliate, for the development of the North Fourth Street Family Apartments to be built at 1470 North Fourth Street and made available to extremely low, very low, and low income families, as more specifically set forth in the Director of Housing report dated April 20, 2009, is hereby approved.

ADOPTED this 12th day of May, 2009, by the following vote:

AYES: CAMPOS, CHU, HERRERA, KALRA, NGUYEN, PYLE;
REED.

NOES: OLIVERIO.

ABSENT: CHIRCO, CONSTANT.

DISQUALIFIED: LICCARDO.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk